

Alfredo R. Pérez  
WEIL, GOTSHAL & MANGES LLP  
700 Louisiana Street, Suite 1600  
Houston, Texas 77027  
Telephone: (713) 546-5000  
Facsimile: (713) 224-9511

Shai Y. Waisman  
WEIL, GOTSHAL & MANGES LLP  
767 Fifth Avenue  
New York, New York 10153-0119  
Telephone: (212) 310-8000  
Facsimile: (212) 310-8007

Attorneys for Debtors  
and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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<b>In re</b>	:	<b>Chapter 11 Case No.</b>
	:	
<b>LEHMAN BROTHERS HOLDINGS INC., et al.,</b>	:	<b>08-13555 (JMP)</b>
	:	
<b>Debtors.</b>	:	<b>(Jointly Administered)</b>
	:	
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**DECLARATION OF ALLEN S. BLAUSTEIN IN SUPPORT OF  
DEBTORS' OBJECTION TO THE MOTION OF THE SUNCAL  
DEBTORS FOR AN ORDER DETERMINING THAT THE AUTOMATIC STAY  
DOES NOT APPLY; OR IN THE ALTERNATIVE, GRANTING RELIEF FROM STAY**

I, Allen S. Blaustein, hereby declare and state as follows:

1. I am associated in this matter with the firm of Weil, Gotshal & Manges LLP, attorneys for, among other entities, Lehman Brothers Holdings, Inc. and Lehman Commercial Paper Inc. in the jointly administered bankruptcy proceeding *In re Lehman Brothers Holdings Inc.*, No. 08-13555 (JMP). Weil, Gotshal & Manges LLP also serves as attorneys for Lehman Commercial Paper Inc., Lehman ALI, Inc., Northlake Holdings LLC, OVC Holdings

LLC, and LV Pacific Point, LLC in the jointly administered bankruptcy proceeding *In re Palmdale Hills Property, LLC*, No. 8:08-bk-17206, and the related adversary proceeding *Palmdale Hills Property, LLC v. Lehman ALI, Inc.*, Adversary No. 8:09-ap-01005-ES, pending before the Honorable Judge Erithe Smith in the United States Bankruptcy Court for the Central District of California. I submit this declaration in support of the Debtors' Objection to the Motion of the Suncal Debtors for an Order Determining that the Automatic Stay Does Not Apply; or in the Alternative, Granting Relief from Stay. I am admitted to practice in the State of New York and make this declaration based upon my review of the documents described herein and my personal knowledge, and if called to testify to the same I could and would competently thereto.

2. Attached hereto as **Exhibit A** is a true and correct copy of a transcript of proceedings before the Honorable James M. Peck, United States Bankruptcy Judge, held on November 20, 2008.

3. Attached hereto as **Exhibit B** is a true and correct copy of a transcript of proceedings before the Honorable James M. Peck, United States Bankruptcy Judge, held on January 30, 2009.

4. Attached hereto as **Exhibit C** is a true and correct copy of the Order Denying Motion of the SCC Entities for Relief from the Automatic Stay.

5. Attached hereto as **Exhibit D** is a true and correct copy of the Debtors' Notice of Motion and Motion for Order Authorizing Surcharge Under 11 U.S.C. § 506(c), and, in the Alternative, Use of Cash Collateral; Memorandum of Points and Authorities; Declarations in Support Thereof [8:08-bk-17206].

6. Attached hereto as **Exhibit E** is a true and correct copy of the Debtors' Joint Chapter 11 Plan of Reorganization [8:08-bk-17206].

7. Attached hereto as **Exhibit F** is true and correct copy of Debtors' Omnibus Opposition to Motions for Relief from Stay [8:08-bk-17206].

8. Attached hereto as **Exhibit G** is a true and correct copy of the Third Amended Adversary Proceeding Complaint [Adversary No. 8:09-ap-01005-ES].

9. Attached hereto as **Exhibit H** is a true and correct copy of the Second Amended Complaint for Equitable Subordination [Adversary No. 8:09-ap-01005-ES].

10. Attached hereto as **Exhibit I** is a true and correct copy of excerpts from a transcript of proceedings before the Honorable Erithe A. Smith, United States Bankruptcy Judge, held on February 11, 2010 [Adversary No. 8:09-ap-01005-ES].

11. Attached hereto as **Exhibit J** is a true and correct copy of the Order re Lehman Entities' Amended Motion to Dismiss the Third Amended Complaint [Adversary No. 8:09-ap-01005-ES].

12. Attached hereto as **Exhibit K** is a true and correct copy of Debtors' Third Amended Joint Chapter 11 Plan [8:08-bk-17206].

13. Attached hereto as **Exhibit L** is a true and correct copy of a letter from Louis Miller, special litigation counsel to the SunCal Debtors, to Richard Pachulski, counsel for Lehman Commercial Paper Inc., Lehman ALI, Inc., Northlake Holdings LLC, OVC Holdings LLC, and LV Pacific Point, LLC, dated March 18, 2010.

14. Attached hereto as **Exhibit M** is a true and correct copy of the proposed Revised Compromise Order Approving Debtors' Motion Pursuant to Bankruptcy Rule 9019 for

Authority to Compromise Controversy in Connection with a Repurchase Transaction with  
Fenway Capital, LLC and a Commercial Paper Program with Fenway Funding, LLC.

I hereby declare that the foregoing is true and correct under the penalty of perjury  
under the laws of the United States of America.

Executed this 5th day of May, 2010 in Miami-Dade County, Florida.

/s/ Allen S. Blaustein  
Allen S. Blaustein